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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/292,887	04/16/1999	WARREN S. WILCOX	286052-002	4136

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EXAMINER

CHAMPAGNE, DONALD

ART UNIT

PAPER NUMBER

2162

DATE MAILED: 01/28/2002

9

Please find below and/or attached an Office communication concerning this application or proceeding.

N.M.

Office Action Summary	Application No.	Applicant(s)	
	09/292,887	WILCOX ET AL.	
	Examiner	Art Unit	
	Donald L. Champagne	2162	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 09 August 2001.

2a) This action is **FINAL**. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-20 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) 1-20 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on 02 April 1999 is/are: a) accepted or b) objected to by the Examiner.
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11) The proposed drawing correction filed on _____ is: a) approved b) disapproved by the Examiner.
 If approved, corrected drawings are required in reply to this Office action.

12) The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some * c) None of:

1. Certified copies of the priority documents have been received.

2. Certified copies of the priority documents have been received in Application No. _____.

3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

14) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

a) The translation of the foreign language provisional application has been received.

15) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) Notice of References Cited (PTO-892)

2) Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____.

4) Interview Summary (PTO-413) Paper No(s). _____.

5) Notice of Informal Patent Application (PTO-152)

6) Other: _____.

DETAILED ACTION

Response to Arguments

1. Applicant's arguments filed 9 August 2001 have been fully considered but they are not persuasive. Applicant's arguments are discussed below.

Claim Rejections - 35 USC § 102 and 35 USC § 103

2. The following is a quotation of the appropriate paragraphs of 35 USC 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless—

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. The following is a quotation of 35 USC 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1 and 5 are rejected under 35 USC 102(b) as being anticipated by Wells Fargo (Dialog file 16, document number 02812176). Wells Fargo teaches a credit card incentive system wherein a credit card issuer (Wells Fargo) provides a reduced mortgage interest rate to the credit card holder as a reward for the holder's use of the credit card, which reads on makes a payment on behalf of the credit card holder to a lending institution to be applied against the outstanding principal on a note for a loan made to the credit card holder, which note is held by the lending institution.

5. Applicant argued (pp. 2 and 3) that the reference teaches a reduced mortgage interest rate, not making a payment to be applied against the outstanding principal. But a reduced interest rate does result in a payment applied against the outstanding principal. Mortgage payments both reduce outstanding principal as well as pay the interest due. The reduction in principal is always greater with a lower interest rate. This increased reduction in principal constitutes a payment applied against the outstanding principal. Consider a

\$100,000 mortgage at 10%, and at a reduced rate of 9%, over 30 years. The monthly payments are respectively \$833.33 and \$750.00. The first payment for the 10% note pays down the principal by \$44.24. (That is the total payment minus \$833.33 interest due.) However, the 9% note pays down the principal by \$54.62, \$10.38 more than the 10% note. This \$10.38 is the payment on behalf of the credit card holder to a lending institution to be applied against the outstanding principal on a note for a loan made to the credit card holder.

6. Claims 12 and 16 are rejected under 35 USC 102(b) as being anticipated by, or, in the alternative, as obvious over Wells Fargo. Wells Fargo teaches a home mortgage loan, which reads on an installment loan. The reference also teaches awarding a lower interest rate, which reads on periodically calculating a loan benefit amount and paying this amount to the lending institution.
7. Wells Fargo does not teach establishing a credit card account; issuing a credit card; and periodically calculating the value of all purchases made and interest charged. However, since Wells Fargo teaches the method claimed, under the principles of inherency (MPEP § 2112.02) the invention is considered to be anticipated in this regard by Wells Fargo. As evidence tending to show inherency, it is noted that the customer could not very well accrue charges without having been issued a card, and could not be expected to pay charges and interest accrued until it was calculated.
8. Claims 2-4, 6, 11 and 13 are rejected under 35 USC 103(a) as being unpatentable over Wells Fargo.
9. Wells Fargo does not teach (claims 2-4) payment made by wire transfer, or by check, or by either depending on the amount of payment, with checks reserved for larger payments. The reference also does not teach annual payments (claims 11 and 13). Official Notice is taken (MPEP § 2144.03) that these limitations were well known at the time of the invention. It would therefore have been obvious to one of ordinary skill in the art, at the time of the invention, to add these limitations to the teachings of Wells Fargo. For example, electronic transfers, which reads on wire transfers, are common, and mortgages can be written for any payment term, including once per year.

10. Wells Fargo does not teach (claim 6) that the size of the payment is determined by the value of goods and services purchased. Because this would encourage the use of the card, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to determine the size of the payment by the value of goods and services purchased.
11. Claims 7 and 14 are rejected under 35 USC 103(a) as being unpatentable over Wells Fargo in view of Borowsky (Dialog file 15, document number 00729051). Wells Fargo does not teach that the size of the reduced mortgage interest payment comprises a straight percentage of the value of goods and services purchased by the credit card holder. Because Borowsky teaches that the Wells Fargo card program offers a straight 5% rebate on all purchases, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to determine the size of the reduced mortgage interest payment as a straight percentage of the value of goods and services purchased by the credit card holder.
12. Applicant argues (pp. 3-4) that Wells Fargo in view of Borowsky do not teach or suggest that the size of the payment comprises a straight percentage of the value of goods and services purchased by the credit card holder. In fact, Borowsky teaches precisely that: "The California Advantage Card rebates 5% of all credit card purchases toward a Wells Fargo mortgage".
13. Claim 10 is rejected under 35 USC 103(a) as being unpatentable over Wells Fargo in view of CardTrak (p. 2/3). Wells Fargo does not teach that the size of the reduced mortgage interest payment comprises an incremented percentage of the amount of interest charged to the credit card holder. CardTrak teaches a credit card with rebate comprising an incremented percentage of the amount of interest charged to the credit card holder. Because it would provide a means to profit from those card holders that tend to maintain and pay interest on card balances, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to combine the teachings of CardTrak with those of Wells Fargo, so as to determine the size of the reduced mortgage interest payment as an incremented percentage of the amount of interest charged to the credit card holder.

14. Claims 8, 9, 15 and 17-20 are rejected under 35 USC 103(a) as being unpatentable over Wells Fargo in view of Borowsky and CardTrak. None of the references teach determining the payment size as: an incremental percentage of credit card purchases (claims 8 and 15); a straight percentage of credit card interest charges (claim 9); or as combination of straight/incremented percentages of purchases/interest charges (claims 17-20). Because all of these payment formulas are variants of those taught by the references, and because each could be expected to appeal to a different segment of credit card users, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to combine the teachings of the references, so as to produce the invention-methods-of-determining-the-mortgage-payment size. For example, using an incremental percentage of credit card purchases as the basis for the payment would be most profitable for those users with sufficient income and discipline to make extensive credit card use without defaulting. For those users also inclined to maintain and pay interest on substantial credit balances, this could profitably be combined with using an incremental percentage of the credit card interest charges as a basis for the payment.

Possible Allowable Matter

15. Applicant noted as an advantage of the invention that "the credit card issuers need not be connected to the lending institution". Examiner acknowledges that this limitation is not taught by or obvious from the prior art made of record, and would constitute allowable matter if (1) it can be shown that this limitation is in the specification (or is added by a CIP) and (2) a search does not identify new art teaching or suggesting this limitation. A request for reconsideration must be made by RCE or CIP.

Conclusion

16. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

17. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will

expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

18. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Donald L Champagne whose telephone number is 703-308-3331. The examiner can normally be reached from 6:30 AM to 5 PM ET, Monday to Thursday. The examiner can also be contacted by e-mail at donald.champagne@uspto.gov, and *informal* fax communications may be sent directly to the examiner at 703-746-5536.
19. The examiner's supervisor, Eric Stamber, can be reached on 703-305-8469. The fax phone numbers for the organization where this application or proceeding is assigned are 703-746-7239 for regular official communications and 703-746-7238 for After Final official communications. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.
20. **ABANDONMENT** – If examiner cannot by telephone verify applicant's intent to continue prosecution, the application is subject to abandonment six months after mailing of the last Office action. The agent, attorney or applicant point of contact is responsible for assuring that the Office has their telephone number. Agents and attorneys may verify their registration information including telephone number at the Office's web site, www.uspto.gov. At the top of the home page, click on Site Index. Then click on Agent & Attorney Roster in the alphabetic list, and search for your registration by your name or number.



Donald L. Champagne
Examiner
Art Unit 2162

28 January 2002